



## **Appendix C Services and Pricing**

Lockheed Martin's Services and Pricing response addresses all requirements stated in the RFO for Appendix C.

Section 1 of our pricing provides our Not to Exceed (NTE) prices for the systems identified below.

Section 2 describes the services we provide to meet the requirements of each of the Service Categories identified in Section 2.1 of the RFO, the Service Levels we propose for each of the Service Categories, and our NTE prices for each Service Level.

Section 3 highlights our Seat volume discounts. These discounts are based on aggregate sales under the DIR Managed Services contract. Customers, regardless of size, can share in the benefits of increased seat sales across the contract. This section also describes our Full Seat Bundle, which incorporates all of the services available on the DIR Managed Services contract into a single package. The Full Seat Bundle includes services that are not included in pricing for services ordered individually. The customers receive a discount for bundled services compared to buying services individually.



## Equipment

Desktop Specifications		
Components	Low End-User	High End-User
Chassis Style	Small Form Factor	Minitower
Chip	Intel Pentium D or AMD equiv.	Intel Pentium D or AMD equiv.
Processor/Clock Speed	915/2.80GHz (P4 3.2GHz equiv.)	945/3.4GHz (P4 3.4GHz equiv.)
Memory	1GB	2GB
Hard Drive	80GB	160GB
Optical Drive	DVD+/-RW with software	DVD+/-RW with software
Operating System	MS Win XP Pro	MS Win XP Pro
Network Card / Sound	Integrated	Integrated
Video/Graphics	Integrated	128MB
Speakers	Internal	Internal
Floppy Drive	No	No
Keyboard	Standard 104+ USB	Standard 104+ USB
Mouse	2 Button Entry w/Scroll USB	2 Button Entry w/Scroll USB
Warranty	4 yr NBD	4 yr NBD
Price per Seat per Month (NTE)	\$40.00	\$47.00
Price per Seat per Year (NTE)	\$480.00	\$564.00

*Notes:*

1. Price excludes applications software
2. Price excludes monitor.
3. Price includes Asset Tracking, Break-fix of Vendor Owned equipment, and Unwind
4. Prices are NTE and negotiable based on Services Level requirements
5. Prices are based on a three year commitment.



Notebook Specification		
Components	14" Notebook	15" Notebook
Chip	Intel CoreDuo or AMD equiv.	Intel CoreDuo or AMD equiv.
Processor/Clock Speed	T 2300 1.66 (P M 1.86 equiv.)	T 2400 1.83 (P M 2.0 equiv.)
LCD Resolution	WXGA	WXGA
Memory	1GB	1GB
Hard Drive	60GB	60GB
Optical Drive	DVD+-RW with software	DVD+-RW with software
Operating System	Win XP Pro	Win XP Pro
Modem	Internal 56k	Internal 56k
Network Card	Integrated	Integrated
Sound / Graphics	Integrated	Integrated
Floppy Drive	No	No
AC Adapter / Battery	Yes	Yes
Wi-Fi (802.11) miniPCi card	Integrated 802.11b/g	Integrated 802.11b/g
Warranty	4 yr NBD	4 yr NBD
Price Per Seat Per Month (NTE)	\$55.00	\$50.00
Price Per Seat Per Year (NTE)	\$660.00	\$600.00

*Notes:*

1. Price includes Asset Tracking, Break-fix of Vendor Owned equipment and Unwind
2. Prices are NTE and negotiable based on Services Level requirements
3. Prices are based on a three year commitment.



## 1) Services

### **Services included in proposed Pricing**

The proposed prices are not-to-exceed (NTE) prices for systems specified. Based on these configurations, our price includes the following specific services:

- Desktop hardware configurations specified for the Low End-Users and High End-Users
- Desktop software that includes the following specific products:
  - Microsoft Windows XP Professional – license plus software assurance
- Management of equipment procurement, including shipping
- Delivery and installation of the equipment to the customer's location, including equipment set up, customer data transfer, and re-establishing network access and privileges that existed before the installation
- Moving any replaced equipment to a customer-designated staging area within the building so that the customer may carry out its equipment removal procedures
- Equipment configuration management, including necessary security components of configuration management
- Break/fix and troubleshooting, including that requiring on-site support services
- Asset Tracking services as necessary to enable efficient configuration management,

Our **Star 3 service level** represents the **Basic** service offering available to all customers. **Star 2 service level** provides an **Enhanced** service level for customers who require this level of service. **Star 1 service level** is our **Premium** service level for customers who require the highest levels of service. LM will be pleased to work with DIR and Supplemental Agreement customers to add service levels as needed and to tailor service levels to unique customer requirements.

There is no difference in our pricing structure between a Customer's primary location and regional satellite offices. The same NTE price applies to all customers regardless of location.



Lockheed Martin also provides a Full Seat Bundle (described in our response to item 3 below) that includes all services listed below, and eliminates the need to purchase some T&M services separately

Service Category Name	Help Desk Services	
Service Description	Single Point of Contact Help Desk providing 24x7 problem reporting with dispatch according to defined service levels. Problem reporting may be done by phone, web, fax, or e-mail. Includes the following: <ul style="list-style-type: none"> <li>- Toll-free number for universal help desk access (1-877-942-STAR)</li> <li>- Live chat capability</li> <li>- Password resets for supported desktops</li> <li>- Generation of standard reports defined in each supplemental agreement (including problems/calls logged, dispatch calls, resolution time frames, etc.)</li> <li>- Remote Support Services as described below</li> </ul> Price is per seat per month.	
Service Levels		NTE Price
Star 1	Average speed to answer - 30 seconds; Trouble ticket dispatch within 30 work minutes	\$11.54
Star 2	Same as Star 1	\$11.54
Star 3	Same as Star 1	\$11.54
Service Category Name	On-Site Support and Moves/Adds/Changes (MACs) Services	
Service Description	Provides day-to-day technical on-site support services as defined by the customer, to include but not limited to installations, modifications and upgrades, complex problem resolution, support for volume-based projects, etc. Includes the option for staff to reside at a customer facility. Price is per labor hour.	
Service Levels		NTE Price
Star 1	Time and Material cost per labor hour for activities defined by the customer	\$66.00
Star 2	Time and Material cost per labor hour for activities defined by the customer	\$66.00
Star 3	Time and Material cost per labor hour for activities defined by the customer	\$66.00
Service Category Name	Remote Support Services	
Service Description	Enables Help Desk personnel to "take over" customer system (with customer authorization) to allow remote diagnosis, troubleshooting, and problem resolution. Includes phone support to assist in resolution of problems from a location that is remote to the end-user Customer. This is included at no additional cost to DIR customers as part of our Help Desk Services offering, and cannot be ordered separately without the Help Desk.	
Service Levels		NTE Price
Star 1	Included as part of Help Desk	No Cost
Star 2	Included as part of Help Desk	No Cost
Star 3	Included as part of Help Desk	No Cost



Service Category Name		Network Management Services	
Service Description		Provides network management, monitoring and troubleshooting of customer local area networks from the boundary edge device to the desktop. Includes standard security practices and services for managed network systems, and dispatch for reset of network devices. Maintenance calls will be dispatched to an identified point of contact. Must be ordered for all seats in a Supplemental Agreement. Price is per seat per month.	
Service Levels		NTE Price	
Star 1	24x7 system monitoring; Resolve system alerts within 4 contiguous hours (if within our control), or dispatch to DIR-identified point of contact	\$11.16	
Star 2	Same as Star 1	\$11.16	
Star 3	Same as Star 1	\$11.16	
Service Category Name		Software Services	
Service Description		Manage services for software to include software configuration management, patch management, automated distribution, image creation and management, and image implementations. Price includes familiarization training (i.e., quick reference guide) for version upgrades. Price is per seat per month.	
Service Levels		NTE Price	
Star 1	Virus definitions and emergency patches distributed within 4 hours of OEM release; Software version upgrades distributed and installed within 30 business days after customer Configuration Board approval; Includes licenses and maintenance for Microsoft Office suite, <b>Lotus Notes</b> , desktop anti-virus software, and necessary client access licenses, as well as operating system maintenance	\$35.33	
Star 2	Virus definitions and emergency patches distributed within 4	\$31.83	



	hours of OEM release; Software version upgrades distributed and installed within 30 business days after customer Configuration Board approval; Includes licenses and maintenance for <b>Microsoft Office suite, desktop anti-virus software, and necessary client access licenses, as well as operating system maintenance</b>	
Star 3	Virus definitions and emergency patches distributed within 4 hours of OEM release; Software version upgrades distributed and installed within 30 business days after customer Configuration Board approval; <b>No desktop application software included</b>	\$10.33



Service Category Name	Asset Tracking Services	
Service Description	Provides and maintains a central asset management system to track and maintain status of IT equipment, licenses, maintenance agreements and other resources supported on supplemental agreements, including vendor-owned and customer-owned assets. Information is updated to reflect moves, adds, changes, updates, and other actions. Includes generation of standard reports defined in each supplemental agreement. Price is per seat per month.	
Service Levels		NTE Price
Star 1	Inventory accuracy 98% or better; Updates to asset tracking system within 3 business days of an action affecting the asset; Customer granted read access to system within 1 business day of request.	\$8.76
Star 2	Same as Star 1	\$8.76
Star 3	Same as Star 1	\$8.76
Service Category Name	Security Services	
Service Description	Provides managed security services for the equipment provided as part of Provisioning of Equipment and Procurement Services. Includes passwords, firewalls, data protection, and default configuration settings based on best security practices. Price is per seat per month.	
Service Levels		NTE Price
Star 1	Managed security services as described above Monthly full backup of user data with daily incremental backup <b>Customer keeps hard drive when equipment is removed or replaced</b>	\$11.89
Star 2	Managed security services as described above Monthly full backup of user data with daily incremental backup <b>Customer does not keep hard drive when equipment is removed or replaced</b>	\$9.91
Star 3	Same as Star 2	\$9.91
Service Category Name	Training	
Service Description	Provides training to end-user customers to ensure their ability to use provided IT services effectively and efficiently. Basic training for differences associated with technology upgrades (i.e., quick reference guide) is provided as part of software services at no additional cost to the customer. Price is per labor hour for requested training activity. Material price depends on type of training requested.	
Service Levels		NTE Price
Star 1	Time and Material cost per labor hour for requested training.	\$66.00
Star 2	Time and Material cost per labor hour for requested training.	\$66.00
Star 3	Time and Material cost per labor hour for requested training.	\$66.00





Service Category Name	Standard and Ad Hoc Reporting and Documentation	
Service Description	Includes ad hoc reports outside the standard set of reports provided as part of Help Desk Services, Asset Tracking Services, and other service categories. Standard reporting and documentation, including customer online access to vendor's standard reports, is provided as part of the services with which they are associated, at no additional cost to the customer. Price is per labor hour to prepare requested reports.	
Service Levels		NTE Price
Star 1	Time and Material cost per labor hour for requested training.	\$66.00
Star 2	Time and Material cost per labor hour for requested training.	\$66.00
Star 3	Time and Material cost per labor hour for requested training.	\$66.00
Service Category Name	Unwind/End of Engagement Services	
Service Description	Provides management of unwind activities at the end of an engagement, de-installation and packaging of vendor provided equipment, and removal of hard drives to be left with a Customer for destruction. Does not include any unamortized value associated with Vendor hardware installed after the start of the Supplemental Agreement, or the cost of a replacement hard drive if the customer elects to keep the hard drive. Price is per labor hour to manage unwind services, deinstall hardware, or remove hard drives.	
Service Levels		NTE Price
Star 1	Time and Material cost per labor hour for requested training.	\$45.00
Star 2	Time and Material cost per labor hour for requested training.	\$45.00
Star 3	Time and Material cost per labor hour for requested training.	\$45.00
Service Category Name	Break-Fix/Maintenance Services – Vendor Owned Equipment	
Service Description	Includes break/fix maintenance, troubleshooting, on-site support function, and installation of upgrades or equipment. Upgrades and equipment are assumed to be purchased outside of this service level offering. Price is per seat per month.	
Service Levels		NTE Price
Star 1	Restore to service within <b>2 contiguous hours</b> of trouble ticket (if started during work hours)	\$37.65
Star 2	Restore to service within <b>4 work hours</b> of trouble ticket	\$25.10
Star 3	Restore to service within <b>8 work hours</b> of trouble ticket	\$17.63



Service Category Name	Break-Fix/Maintenance Services – Customer Owned Equipment	
Service Description	Includes break/fix maintenance, troubleshooting, on-site support function, and installation of upgrades or equipment. Upgrades and equipment are assumed to be purchased outside of this service level offering. Price is per labor hour.	
Service Levels		NTE Price
Star 1	Time and Material maintenance cost per hour (includes troubleshooting, etc.)	\$45.00
Star 2	Time and Material maintenance cost per hour (includes troubleshooting, etc.)	\$45.00
Star 3	Time and Material maintenance cost per hour (includes troubleshooting, etc.)	\$45.00



### 3) Volume Discounts.

#### **Pricing Discounts associated with Seat Volume**

This same information is in the introduction to this document. Lockheed Martin offers pricing discounts based on aggregate seat sales to the State of Texas under the DIR Managed Services for Information Technology Contract. We chose this approach specifically to ensure that all customers, regardless of their size as individual customers, have the opportunity to benefit from increased sales under the DIR contract.

Discounts apply when the total aggregate number of seats using a particular service crosses one of the volume band thresholds in the table below. From that point forward, as long as the aggregate seat volume remains in the new volume band, the NTE price for the service is reduced to the new volume band's NTE. Also, from that point forward, any customer whose price per seat is higher than the new NTE price will automatically have their seat price adjusted to the new volume band price.

Service Category	Service Level	Unit of Measure	Volume Bands				
			1 – 10,000	10,001 – 30,000	30,001 – 80,000	80,001 – 200,000	200,001 +
Help Desk	All Levels	Per Seat	\$11.54	\$11.49	\$11.47	\$11.45	\$11.44
Remote Support Services	All Levels	Per Seat	No Cost	No Cost	No Cost	No Cost	No Cost
On Site Support/MACs	All Levels	Per Hour	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00
Network Management Services	All Levels	Per Seat	\$11.16	\$10.11	\$9.92	\$9.68	\$9.46
Software Services	Star 1	Per Seat	\$35.33	\$34.43	\$34.25	\$33.97	\$33.84
	Star 2	Per Seat	\$31.83	\$30.93	\$30.75	\$30.47	\$30.34
	Star 3	Per Seat	\$10.33	\$9.43	\$9.25	\$8.97	\$8.84
Asset Tracking Services	All Levels	Per Seat	\$8.76	\$8.06	\$7.76	\$7.49	\$7.44
Security Services	Star 1	Per Seat	\$11.89	\$11.06	\$10.72	\$10.50	\$10.32
	Star 2	Per Seat	\$9.91	\$9.08	\$8.74	\$8.52	\$8.34
	Star 3	Per Seat	\$9.91	\$9.08	\$8.74	\$8.52	\$8.34
Training	All Levels	Per Hour	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00
Standard & Ad Hoc Reporting	All Levels	Per Hour	\$66.00	\$66.00	\$66.00	\$66.00	\$66.00
Unwind/End of Engagement Services	All Levels	Per Hour	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00
Break/Fix – Vendor Owned	Star 1	Per Seat	\$37.65	\$36.72	\$35.81	\$35.60	\$35.40
	Star 2	Per Seat	\$25.10	\$24.17	\$23.26	\$23.05	\$22.85
	Star 3	Per Seat	\$17.63	\$15.80	\$14.89	\$14.68	\$14.48
Break/Fix – Customer Owned	All Levels	Per Hour	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00

#### **Pricing Discounts Associated with a Suite of Services**

In addition to the discounts we offer for increased seat volume, Lockheed Martin also offers a Full Seat Bundle for customers who are interested in buying the full suite of services available



through the DIR Managed Services contract. The full seat bundle includes the following services:

- Desktop hardware
  - **As technology advances, we incorporate new technology into the desktop configuration without increasing the per seat price**
  - Low End-User Desktop Configuration priced below
- Standard desktop application software suite, which includes:
  - Microsoft Office Professional (license plus software assurance)
  - Windows XP Professional (license plus software assurance)
  - Microsoft Core Client Access Licenses (CALs) (license plus software assurance).  
Includes CALs for:
    - Windows Server
    - SharePoint
    - Systems Management Server
    - Exchange
  - Symantec Norton Anti-Virus (license plus annual maintenance)
  - Lotus Notes and other application software packages **are available as options**
- Management of equipment procurement, including shipping
- Delivery and installation of the equipment to the customer's location, including equipment set up, customer data transfer, and re-establishing network access and privileges that existed before the installation
- Deinstalling customer-owned equipment to a customer-designated location so that the customer may carry out its equipment removal procedures
- Help Desk Services
- Remote Support Services
- On-Site Support and Moves/Adds/Changes (MACs) Services
  - As a standard offering, we provide a dedicated on-site support person for every 500 seats in the same location for the Star 3 level of service; one for every 375 seats for the Star 2 level of service; and one for every 125 seats at the Star 1 level of service
- Network Management Services
- Software Services (in addition to the standard desktop application software suite defined above)
- Asset Tracking Services
- Security Services, including the ability for the customer to keep the hard drive at the end of the engagement at no additional cost
- Equipment configuration management, including necessary security components of configuration management
- Training



- Includes familiarization training for new hardware or software installations, quick reference guides, and manufacturer documentation
- Classroom training and online/electronic training courses to be purchased separately
- Standard and Ad Hoc Reporting and Documentation
  - Includes the following standard reports generated from our Help Desk and Asset Management systems at no charge

Frequency	Report	Access
Monthly	Open Ticket Report (OTR) for Trouble tickets summary	Report on Lone Star Portal
	SLA Status for Level 1 and Level 2 Metrics (See Section A-B.2)	Report on Lone Star Portal
	Detailed Monthly Report with per transaction the dollar volume of sales for the previous month.	Report on Lone Star Portal. Report submitted to DIR Go DIRect Coordinator
	Historically Underutilized Business Subcontract Report in accordance with Chapter 2161, Texas Government Code.	Report on Lone Star Portal. Report submitted to DIR
	Administrative Fee Report	Report submitted to DIR
Annual	Summary of LM21 Events and Results	Report on Lone Star Portal
	Summary of Services and Cost provided to Customer on Managed Services Contract	Report on Lone Star Portal

- Includes ad hoc reports from our Help Desk and Asset Management systems **at no charge**, up to the quantities indicated below (quantities are per year per Supplemental Agreement)

Time To Produce	Quantity per Year	Hours
Simple (< 1 hour)	30	30
Complex (< 3 hours)	15	45
Other >3	10	150
Total NTE	55	225

- Unwind/End of Engagement Services
  - The customer has the option to retain fully amortized desktop equipment in place **at no charge**
  - Deinstallation of equipment at the end of the Agreement Term, to include the option of removing the hard drive and leaving it with the customer for final disposition



- Break-Fix and Maintenance services for Vendor-Owned Equipment
  - All equipment maintenance
  - All break/fix and troubleshooting, including that requiring on-site support services
  - Installation of upgrades as required (does not include the cost of upgrade hardware or software)

Service Category	Service Level	Unit of Measure	Volume Bands				
			1 – 10,000	10,001 – 30,000	30,001 – 80,000	80,001 – 200,000	200,001 +
Full Seat Bundle (Low End-User desktop configuration with 4-year term)	Star 1	Per Seat	\$159.21	\$145.37	\$140.35	\$137.26	\$135.86
	Star 2	Per Seat	\$143.16	\$129.32	\$124.30	\$121.21	\$119.81
	Star 3 with application software	Per Seat	\$134.79	\$120.95	\$115.93	\$112.84	\$111.44
	Star 3 without software	Per Seat	\$113.29	\$99.45	\$94.43	\$91.34	\$89.94